

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1406**

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**Introduced by Assembly Member Emmerson**

February 27, 2009

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An act to amend Section ~~31551~~ 31522.5 of the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1406, as amended, Emmerson. ~~County employees' retirement: membership. County boards of retirement: Orange County and San Bernardino County.~~

*The County Employees Retirement Law of 1937 authorizes the board of retirement of Orange County, and that of San Bernardino County upon resolution by the board of retirement, to appoint specified management, investment, and legal personnel. These appointees are not classified as county employees and are therefore not subject to the civil service system, but are employees of that retirement system, subject to the terms of employment determined by the board of retirement.*

*This bill would extend the authority of the retirement boards described above to appoint their specified personnel outside the civil service system to apply to supervisors and employees with specialized training and knowledge in pension benefit member services, investment reporting compliance, investment accounting, pension benefit tax reporting, pension benefit financial accounting, and pension law.*

~~The County Employees Retirement Law of 1937 provides a comprehensive set of rights and benefits for county and district employees who are members of a retirement system subject to that law. Those counties are required to organize a retirement association, and~~

county officers and employees are members of that association, unless expressly excluded from membership. Existing law provides that persons employed as participants in a program of, and whose wages are paid in whole or in part by federal funds in accordance with, a specified federal law, are excluded from membership.

This bill would replace the reference to that obsolete federal law with a reference to the current federal law.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 31522.5 of the Government Code is  
2     amended to read:

3     31522.5. (a) In a county in which the board of retirement has  
4     appointed personnel pursuant to Section 31522.1, the board of  
5     retirement may appoint an administrator, an assistant administrator,  
6     a chief investment officer, senior management employees next in  
7     line of authority to the chief investment officer, subordinate  
8     administrators, senior management employees next in line of  
9     authority to subordinate administrators, *supervisors and employees*  
10    *with specialized training and knowledge in pension benefit member*  
11    *services, investment reporting compliance, investment accounting,*  
12    *pension benefit tax reporting, pension benefit financial accounting,*  
13    *and pension law,* and legal counsel.

14    (b) Notwithstanding any other provision of law, the personnel  
15    appointed pursuant to this section may not be county employees  
16    but shall be employees of the retirement system, subject to terms  
17    and conditions of employment established by the board of  
18    retirement. Except as specifically provided in this subdivision, all  
19    other personnel shall be county employees for purposes of the  
20    county's employee relations resolution, or equivalent local rules,  
21    and the terms and conditions of employment established by the  
22    board of supervisors for county employees, including those set  
23    forth in a memorandum of understanding.

24    (c) Except as otherwise provided by Sections 31529.9 and  
25    31596.1, the compensation of personnel appointed pursuant to this  
26    section shall be an expense of administration of the retirement  
27    system, pursuant to Section 31580.2.

1 (d) The board of retirement and board of supervisors may enter  
2 into any agreements as may be necessary and appropriate to carry  
3 out the provisions of this section.

4 (e) Section 31522.2 is not applicable to any retirement system  
5 that elects to appoint personnel pursuant to this section.

6 (f) This section shall apply only in Orange County.

7 (g) This section shall apply to the retirement system established  
8 under this chapter in San Bernardino County at such time as the  
9 board of retirement, by resolution, makes this section applicable  
10 in that county.

11 ~~SECTION 1. Section 31551 of the Government Code is~~  
12 ~~amended to read:~~

13 ~~31551. (a) A person expressly declared to be ineligible to~~  
14 ~~membership by this article shall not become a member of the~~  
15 ~~retirement association, and, except as expressly excluded, a person~~  
16 ~~enumerated in this article shall become a member of the~~  
17 ~~association.~~

18 ~~(b) A person employed as a participant in a program of, and~~  
19 ~~whose wages are paid in whole or in part by federal funds in~~  
20 ~~accordance with, the Workforce Investment Act of 1998 (Public~~  
21 ~~Law 105-220), as amended, or any of its predecessors, is excluded~~  
22 ~~from membership. This exclusion shall not apply to active fire~~  
23 ~~suppression personnel who are safety members pursuant to Sections~~  
24 ~~31469.3 and 31470.4.~~